

News monitored for: Emami Group

Emami acquires German personal care brand for ₹100 cr

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IN LINE WITH its strategy for growth through inorganic routes, FMCG major Emami on Friday announced acquisition of a Germany-based personal care brand, Creme 21, which has strong presence in the West Asia East and European markets, for nearly ₹100 crore.

Kolkata-based Emami group flagship said the acquisition of the German brand, which offers skincare and bodycare products, has a "strong business fit" as it operates in the company's focus markets and chosen categories. This brand buyout is expected to boost and complement the company's international business and portfolio, particularly in the West Asia, North Africa (MENA), Saarc and Russian markets.

"The company has entered into an agreement for acquisition of the brand



The brand's current sale stands at over €8 million and it has gross margin of over 50%. The acquisition is being funded from internal accruals. Over 80% of the brand's business is contributed by the MENA region. The brand offers products such as creams and lotions, shower gels, suncare range and men's range

Creme 21, a Germany-based brand with strong presence in MENA & European markets..." Emami said in a stock exchange filing. The brand, launched in 1970 as a personal care brand for people over 21 years of age, was acquired by Antje Willems Stichel in 2003.

"The brand has been acquired at less than 1.5 times of its sales," the Kolkata-

headquartered company in a release said, adding that the brand's current sale stood at over 8 million euro and it has gross margin of over 50%. The acquisition is being funded from internal accruals.

Over 80% of the brand's business is contributed by the MENA region. The brand offers products such as creams and lotions, shower gels, suncare range, men's range, etc. Emami, which owns brands like Navratna, Boroplus, Zandu, Fair and Handsome and Kesh King, expects to take the Creme 21 brand to an aggressive growth trajectory.

Commenting on the deal, Harsha V Agarwal, director, Emami Ltd, said, "We plan to leverage our existing network of distribution and infrastructure to grow the brand. Creme 21 is an iconic German brand that has a high brand recall. The brand has good potential for growth and we expect it to add value to our growth trajectory. With this acquisition, the company

would be able to enjoy economies of scale due to additional business base."

Antje Willems Stichel, promoter of Creme 21, said: "We are excited about this deal and with Emami's strength in the Middle East and other global markets, we are confident that Emami would add a lot of value to Creme 21 and take it to the next level." In the last financial year, Emami's revenue from its overseas operation grew 9% year-on-year to ₹317.79 crore, while its revenue from domestic operation witnessed a marginal decline of 0.6% to ₹2,223 crore.

In international markets, the company operates through nine overseas subsidiaries and has presence in over 60 countries with a manufacturing unit in Bangladesh, according to its latest annual report. On Friday, the Emami scrip rose 0.12% to end at ₹419.60 on the BSE. The company announced the acquisition after trading hours.